



Tasmanian Climate Collective Submission to the Inquiry into Energy Prices in Tasmania

[Tasmanian Climate Collective](#) (TCC) offers this submission in our ongoing efforts to support the copious, overwhelming scientific advice regarding the necessary actions required to mitigate climate change, transition our energy sources while avoiding energy poverty.

TCC is a group of committed organisations and individuals from across lutruwita, Tasmania who advocate for evidence based action on climate change. The Collective is made up of climate action, social and environmental groups and grassroots organisations. Tasmanian Climate Collective has no political affiliation and is composed of scientists, farmers, doctors, teachers, nurses and other concerned citizens calling for more action on climate change and a just transition for all Tasmanians.

TCC makes numerous submissions to inquiries such as this in our efforts to improve the chance of a safe, healthy and fair Tasmania. As a 100% volunteer run organisation, this takes many hours. Even then, our submissions compete with those made by paid employees and lobbyists of powerful industries with vested interests. The David vs Goliath nature of our efforts takes a huge toll on our volunteers who would rather be giving their time to other causes, such as schools, sports, community care, etc. The excessive influence of lobbyists, political donors and powerful industries with vested interests currently prevents politicians and decision makers from acting on the best advice of independent experts in the interests of all Tasmanians. Before we address the terms of reference, we would like to make a single clear recommendation:

Recommendation: Politicians and other decision makers in the Tasmanian government should directly consult independent scientific experts on zero GHG (Green House Gas) emissions energy solutions and prices and act on their advice.

The failure of successive governments to act on the best scientific advice, has left Tasmanians with worsening climate and ecological crises. The evidence demonstrates that state and national climate and environmental policies are based on the advice of powerful high emissions industries in their efforts to delay the transition to a low carbon economy ([Influence Map](#), [Union of Concerned Scientists](#) and [Climate Tracker](#)).

For example, the disproportionate influence of the methane gas industry is evident in the current advertising campaign that works against the necessary transition to clean energy ([Renew 2023](#)) and the “gas-fired” economic recovery from Covid ([SMH](#), [ABC](#)). This effort is evident in Tasmania in the strong advertising campaign in all forms of media (including [social media](#)), Tas Gas sponsorship of the Tasmanian Jack Jumpers, and in self-interested [submissions](#) to the Future Gas Strategy

Tasmania’s current energy transition policies do not reflect the advice of [climate scientists](#) or [social justice experts](#). Until they do, everyday Tasmanians will suffer high energy costs.

The role of TCC and other concerned citizens should not be to provide expert evidence-based advice. Our role is to demand that the Tasmanian government listen to and act on the advice of independent scientific experts, rather than the advice of high GHG emitters and their industry associations. In a properly functioning democracy, where decision makers have not been “captured” by vested interests, our role should be redundant.

With the above recommendation in mind, TCC expect to support submissions made by Climate Tasmania and TasCOSS. Their expertise is invaluable and if acted upon, will ensure a better quality of life for all Tasmanians.

Comments on the Terms of Reference

We expect that this inquiry will receive detailed submissions from independent energy experts and other expert organisations with the best interests of Tasmanians at heart. Rather than repeat their recommendations, we offer a community perspective, mindful that we have a high regional population, a significant amount of social disadvantage and a strong connection to the life support systems in our environment. We trust this inquiry to prioritise the interests of all Tasmanians over those of powerful vested interests.

Recommendation: Tasmania should maximise the environmental and cost benefits of electrification of stationery and transport energy.

Tasmania is well placed to lead Australia and the world in both energy equity and the necessary energy transition away from GHG emitting sources. We must now move on from our current complacency (largely due to the dramatic reduction in forest logging demonstrated in the [LULUCF offset](#)) around “net zero”. Making best use of this lead has the potential to reduce energy costs for all Tasmanians.

[Modelling](#) by Rewiring Australia has demonstrated that “by 2030, full electrification of households across Tasmania would see:

*The average household in Tasmania save \$4660 per year
in energy bills and vehicle costs.
Economic flow on effects across the region that could spark
the indirect creation of up to 6,710 new jobs”*

Recommendation: Transport energy prices should be and can be reduced

Transport energy prices have an enormous impact on Tasmanian households, businesses and industries. This inquiry has the potential to dramatically reduce this burden.

TCC support the adoption of the Tasmanian Policy Exchange [“Driving net-zero”](#) technical policy paper. Over and above the necessary emissions reductions, these policies include social equity measures that will reduce the transport energy costs for all Tasmanians.

Public transport, active transport, electric vehicle uptake and changes in employment arrangements “offers the best mix of impact, cost and technological readiness” that will benefit Tasmanians across socioeconomic groups.

Recommendation: Tasmania should rapidly phase out new methane gas connections and provide current customers with incentives for electrification.

As a state with low levels of methane gas use, in a time of rapid decarbonisation, it is crucial that Tasmania quickly shift away from gas use. Tasmanians using gas are vulnerable to:

- Higher prices - "[Compared to mainland jurisdictions, natural gas prices are high in Tasmania, due to the very small size of the gas market and the corresponding absence of economies of scale.](#)"
- Serious [health risks](#)
- 2 network supply charges, rather than just the electricity supply charge.
- Energy insecurity
 - Tasmania has no local gas reserves.
 - Tasmania depends entirely on imported natural gas, including the single pipeline from Victoria.
 - LPG is imported into Tasmania by sea transport and is vulnerable to supply and price variation.
 - The current high global gas prices are outside Tasmanian control.
 - Forecasts of potential future gas shortages in southeastern Australia
 - [Tasmania's gas prices are the most expensive in Australia and are likely to increase](#)
 - As Tasmania transitions away from fossil gas use, the shrinking customer base will be increasingly burdened by fixed costs. Already, [only 14,700 of the potential 60, 000 customers have gas connections.](#)
 - The Tasmanian gas pipeline operators are not subject to pricing regulation.

Increasingly, households and businesses are moving away from methane gas use. It is imperative that people with social disadvantage are also able to benefit from the cost savings that come with electrification. It is clear from the [Oakley Greenwood Report](#) and the [Climate Tasmania discussion paper](#), that electrification provides the best solutions for the transition away from gas use for households and the vast majority of businesses. In Tasmania, our access to a variety of renewable energy sources provides both financial and reliability benefits.

Recommendation: Tasmania must ensure that the energy transition benefits communities in affordability and acceptability.

Everyday Tasmanians must benefit from cost savings and the installation of renewable infrastructure. The expansion of renewable energy in Tasmania can not simply benefit big business while leaving our community burdened with increasing energy prices.

Tasmanians were promised cheap energy in the hydro-industrialisation era, yet this never happened. We lost some precious natural areas while also paying more for power. This must not happen as we transition to more renewable energy sources.

The resistance of some communities to the infrastructure required for the increase in electrification can be a barrier. Federal MP Helen Haines led the development of the [Local Power Plan](#) that focuses on:

“Community energy – where everyday people are empowered to develop, own and benefit from their own energy projects – is a way to ensure the renewable boom happens with and for us, not to us.”

This plan, or similar would help everyday Tasmanians enjoy energy savings.

Recommendation: Social, affordable and rental housing should be safe, resilient and protect residents from energy poverty

High energy prices heavily impact renters and residents in social and affordable housing. While some more affluent Tasmanians are enjoying the huge cost savings of electric cars, solar panels, home batteries and energy efficient homes, many others have limited choices and are locked into energy poverty.

The Tasmanian Climate Collective strongly supports the [Tasmanian Housing Strategy objective](#) for “improved sustainability of housing into the future”. This sustainability must include affordable energy.

It is critical that the transition to a low carbon future is accessible to everyone, regardless of their socioeconomic status. The benefits gained from renewable energy efficiencies and protection from the extreme effects of climate change must not be limited to the wealthy in society.

Tasmanians desperately need social, affordable and private housing that:

- Is energy efficient.
- Protects residents from energy poverty and stress.
- Does not include gas connections or appliances.
- Facilitates zero emissions transport options.
- Uses low emissions materials and supply chains.
- Is climate resilient.

If we continue to build new homes with poor energy efficiencies and old technologies, we will be committing to higher energy costs for residents for many years to come. We must learn the lessons of previous low-quality construction and embrace the existing energy efficient technologies to give Tasmanians energy efficient, net zero emissions housing befitting a clean green state in a developed country. To do anything less would be a waste of public funds.

The National Construction Code now mandates the Nationwide House Energy Rating Scheme (NatHERS) energy rating of 7 in all parts of Australia, except Tasmania, where the lower rating of 6 will persist until 2025. The Tasmanian Housing Strategy must adopt the NatHERS rating of 7 immediately.

Tasmanian residents consume more electricity than residents in other states. [The average Tasmanian household consumed 7666kWh in 2021](#). It is crucial that all new public and affordable housing initiatives provide the most efficient and cost-effective energy supplies to allow residents to enjoy the cost savings that many private homeowners are finding after transitioning to electrification.

New energy efficient public housing should include rooftop solar PV and home or community batteries for the following reasons:

- Homes built now need to be future proofed to ensure that residents do not suffer energy poverty over coming decades.
- [Rooftop solar PV is already the cheapest form of energy in Tasmania](#) at 13 cents/kWh compared with 27 cents/kWh. This trend is likely to continue as the cost of rooftop solar panels continues to fall. Residents of public housing must be able to enjoy these cost savings as much as private homeowners.
- Residents with reduced energy costs are more able to pay their rent and food needs and are less likely to suffer “housing stress”.
- Energy poverty and high cost of living leads to poor outcomes in resident physical and mental health. The investment in solar and batteries for residents at risk of energy poverty will therefore have substantial savings to the Tasmanian health system as well as the public good of better health outcomes.
- It is far more cost effective to install rooftop solar during construction, rather than retrofit at a later date.
- Community or home batteries for public housing will allow residents to store their solar power for use at peak times in the evening. This is a large cost saving for residents.
- [Hydroelectricity supplies are vulnerable](#) to reduced rainfall under climate change and this risk will continue to increase with each degree of warming. Rooftop solar on homes will help to reduce the demand for hydroelectricity and benefit the grid and the broader Tasmanian community.
- Rooftop solar combined with battery storage will make homes more resilient in blackouts that occur in extreme weather events.
- Insulation, including double glazing and design features that moderate temperature extremes for the health and well-being of residents.
- Housing should be located away from flood and bushfire risks and other areas that could be deemed “uninsurable”.
- Water tanks should be included in all new builds to allow residents to access clean water during supply and contamination problems associated with extreme weather events.

Recommendation: Green hydrogen has a place in Tasmania’s energy mix, but will not reduce energy costs for Tasmanians

The hype around the hydrogen industry is a distraction from the more cost effective solution of electrification ([Renew 2020](#)). Fossil fuel interests have demonstrated their interest in promotion of hydrogen to prolong the lifespan of their industries ([Independent 2022](#)). TCC supports the use of truly green hydrogen to replace fossil fuel generated hydrogen used in fertilisers, explosives and some hard to abate industries. As energy storage, green hydrogen is far less suitable to home and light commercial stationary energy and transport. Despite this, a [disproportionate amount of renewables funding](#) has been directed to hydrogen in Tasmania.

It is more important to direct affordable energy to Tasmanian households and jobs before a few powerful industries profit from green hydrogen exports.

We regret our inability to provide more detailed responses due to our limited capacity as a volunteer organisation with a long list of submissions to make. We look forward to seeing our recommendations adopted and welcome any opportunity to discuss these matters further with your committee.

Tasmanian Climate Collective

www.tasclimatecollective.org

We acknowledge the traditional owners of lutruwita, the Palawa, their ongoing custodianship of the land, community, sea and waters.

We pay our deepest respect to Palawa elders, past and present.

Sovereignty was never ceded. Always was, always will be Aboriginal land